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ED/EC M-256

July 22, 1957

EXECUTIVE COMMITTEE OF THE
ECONOMIC DEFENSE ADVISORY COMMITTEE

MINUTES

2:00 p.m., Tuesday, July 16, 1957
Room 1213 Maiatico

Attendance

MDAC

Mr. Hale, Chairman
Mr. Wight
Mr. Kramer, Executive Secretary
Miss Rector, Committee Secretary

Defense

Col. Green

ICA

Mr. Slaght

CIA

Mr. [REDACTED]
Mr. [REDACTED] 25X1A9a

State

Mr. Henderson
Mr. Eastman

Commerce

Mr. George

Treasury

Mr. Sommerfield

Agenda

25X6A

1. [REDACTED] Shipments to the European Soviet Bloc.
(Ref. EDAC D-124/2)
2. Instruction to USDEL on Policy toward Trade with Poland.
(Ref. State Draft of 7/1/57; Defense draft submitted at the meeting)
3. NSC/CFEP Assignment to Review Economic Defense Policy.
(Ref. EDAC D-135; EDAC D-135/1)

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25X6A

1. Shipments to the European Soviet Bloc.
(Ref. EDAC D-124/2)

Decision

The Committee concurred in the recommendation made by the State member in the referenced document, i.e., that [REDACTED] be instructed to request a reply to the U.S. Note of February and to supply the State Department with a report on licenses issued during 1957.

25X6

2. Instruction to USDEL on Policy toward Trade with Poland.
(Ref. State Draft of 7/1/57; Defense draft submitted at the meeting)

Decision

The Committee cleared an instruction to the USDEL informing him of the substance of proposals he should make to COCOM for handling trade with Poland involving rated items. The message as cleared included portions of both the State draft of July 1 and the Defense alternate proposal, with revisions agreed upon at the meeting. (See TOPOL 160, 7/17/57.)

It was noted that this agreement at the EC level obviated an EDAC meeting on this subject.

3. NSC/CFEP Assignment to Review Economic Defense Policy.
(Ref. EDAC D-135; EDAC D-135/1)

Discussion

The Commerce member suggested that there now seemed to be need for including in the revised draft statement of general policy two separate paragraphs 8, one of which would provide the policy basis for Courses of Action paragraph 20 (a CFEP separate assignment) and the other to provide the policy basis for paragraph 21. The Chairman agreed that if it was decided to retain such a paragraph in the Courses of Action, policy basis should be provided for it. He thought the first sentence of the State-proposed para. 21 was really a policy statement and thus should be in a separate paragraph (e.g. 8b). Drafting work would be done on this paragraph if it was decided, after further consideration of paragraph 21, that the revised draft document would include an alternate paragraph to the State-proposed paragraph 21. The Chairman expressed concern at including any replacement language for paragraph 21 if it could be interpreted to mean a differential for Communist China.

The Defense member reported on the meeting he had had with members of the JCS on the State-proposed paragraph 21, and presented an alternate paragraph 21.

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After discussion of the State-proposed paragraph 21, the State member said he would report to his agency the substance of the proposals made and the views expressed by the other members. These views included: (1) State should submit a proposed work program under paragraph 21 indicating in it, for introduction into the EDAC work program, what State intended to do and what limitations there would be on the language used in the State-proposed policy paragraph 21, which was relatively broad. The work program should detail where, in the EDAC structure, assignments under it should be carried out, i.e., WG I, FEP, WG II. (2) The difficulties which others felt would arise from the State proposal and the fact that it was at variance with the members' views on paragraph 9 and action which should be taken thereunder. (3) The view that part of the State proposal should be covered by paragraph 18 to offset any complications arising from the implication that State was in favor of a differential.

The State member advised that he would attempt to have the required portion of the State paper redrafted and recleared within State. In the meantime State's paragraph 21 could be bracketed in setting up a re-draft of EDAC D-135/1.

The CIA member advised that he had some comments to make on the Commerce member's proposal for review of available intelligence (discussed at yesterday's meeting). The Chairman requested that he withhold comments until the work program for implementation of paragraph 9 was available because it was expected to specify how the intelligence would be used.

Distribution

ED List Parts I & II
WG I (limited)

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